

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
COMMUNITY PLANNING AND DEVELOPMENT  
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

PROGRAM HIGHLIGHTS

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
	(Dollars in Thousands)			
<u>Program Level:</u>				
Obligations .....	\$276,087	\$383,104	\$297,000	-\$86,104
<u>Appropriations:</u>				
Enacted or Proposed .....	277,432	292,000	297,000	5,000
<u>Budget Outlays</u>				
Outlays .....	314,293	292,000	311,000	19,000

SUMMARY OF BUDGET ESTIMATES

The fiscal year 2004 Budget proposes \$297 million for the HOPWA program to meet the housing and related needs of approximately 74,250 low-income households living with HIV/AIDS. The funding request for this program is need-driven and reflects most recent AIDS data provided by the Center for Disease Control and Prevention (CDC). The funding continues the enacted legislative provisions of recent years to give priority to renew all existing grantees that provide permanent supportive housing and also includes funding for the projected inclusion of three new formula grantees. Housing assistance is provided through rental assistance, temporary and permanent supportive housing at community residences and other facilities, and short-term payments for rent, mortgage and utility payments to prevent homelessness. This request would provide an increase of \$5 million over requested fiscal year 2003 funding.

EXPLANATION OF INCREASES AND DECREASES

The fiscal year 2004 Budget request of \$297 million is a \$5 million increase above the fiscal year 2003 requested amount. These funds will provide additional support reflecting the increase in AIDS cases reported nationwide by the Center for Disease Control and Prevention (CDC). The most recent data from CDC shows that nearly 41,000 new cases of AIDS were reported across the United States from July 2000-June 2001. This higher level of funding will enable the HOPWA program to serve 1,250 additional low-income households with HIV/AIDS. Outlays are expected to increase by \$19 million in fiscal year 2004, reflecting the expanded capacity of AIDS housing providers to implement and manage programs and increased program funding levels in recent years. Note that the increase in number of households served, as compared to past budgets is due to a Community Planning and Development's data clean-up effort that has provided complete and accurate data submitted by HOPWA formula and competitive grantees from Consolidated Annual Performance and Evaluation Reports (CAPER), the Integrated Disbursement and Information System (IDIS), and Annual Progress Reports (APR).

The requested increase in funding is necessary because, with the growing number of persons living with HIV/AIDS, there are accordingly additional persons in need of housing assistance and other related services. The CDC reported that, as of June 2001, a total of 793,026 Americans have been diagnosed with AIDS and that an estimated 331,518 persons were living with AIDS. CDC also has estimated that nearly one million persons are currently living with HIV infection, including persons living with AIDS.

Although the advancements in AIDS drugs and therapies offer significant hope, they have not been appropriate for, accessible to, or successfully used by all persons, especially persons who are homeless, have very low-incomes, or are challenged by mental illness or substance abuse problems. Additionally, as the costs for care increase, cities and States have to share available funding among more clients who are in need of housing and other support. A number of recipients report having waiting lists for HOPWA assistance and the need to reach underserved populations. The long-range effectiveness of treatment advances is currently unknown and evidence of toxicity in treatments is a concern. Thus, low-income families dependent on HOPWA support will also continue to require assistance.

PROGRAM DESCRIPTION AND ACTIVITY

1. Legislative Authority. The Housing Opportunities for Persons with AIDS program is authorized by the AIDS Housing Opportunity Act, 42 U.S.C. 12901 (Title VIII, Subtitle D, of the Cranston-Gonzalez National Affordable Housing Act (NAHA) as amended by the Housing and Community Development Act of 1992).

2. Program Area Organization.

a. Program Purpose. The HOPWA program is an essential component of national efforts to address the housing needs of people impacted by the HIV epidemic. HOPWA remains the only Federal program solely dedicated to providing housing assistance to persons living with HIV/AIDS and their families. Housing funded by HOPWA prevents homelessness and provides a basis for helping persons at the lowest income levels access appropriate care and acts as a base to help maintain often-difficult therapies and medical regimens. The program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families. In addition to the development of housing and rental assistance, funds can be used for short-term rent, utility payments, and supportive services for persons with HIV/AIDS and their families to help maintain their homes and avoid homelessness.

The fiscal year 2003 Budget proposed the use of \$2 million for technical assistance, training and oversight. An increase to \$3 million is proposed for these purposes in fiscal year 2004. Authorizing legislation (Section 854c of NAHA) requires that 90 percent of the (non-setaside) appropriated funds be distributed by formula to qualifying States and metropolitan areas on the basis of two factors: (1) the cumulative number and the incidence of AIDS reported to the Center for Disease Control (CDC) by March 31 of the year preceding the appropriation year; and (2) to metropolitan areas that have higher than average incidence of AIDS, based on AIDS surveillance data reported for the prior years. The remaining 10 percent of funds is distributed through a national competition. The 2002 Appropriations Act required HUD to renew expiring contracts for permanent supportive housing prior to awarding funds to new projects. This authority is requested to be continued for all HOPWA supportive housing projects.

HOPWA formula funds are made available under the Department's Consolidated Plan process which serves as the vehicle for a community to comprehensively identify each of its needs, consult with citizens and organizations in the community, and coordinate a responsive plan of action for addressing them with Federal and other resources. Consolidated Plan modifications will be developed within the context of the President's Management Agenda focused on streamlining and making the Consolidated Planning process more effective. In addition, plans are being made to complete a pilot revised Consolidated Planning process for HOPWA. For a community to successfully address its often complex and interrelated problems, including homelessness and the risk of homelessness among persons living with HIV/AIDS and their families, the community must marshal its varied housing, community and economic development resources, health care and service programs, and use them in a coordinated and effective manner.

b. Eligible Applicants. As indicated above, 90 percent of each year's appropriation is distributed by formula to those jurisdictions that meet the minimum requirements, as reported to the CDC. Metropolitan areas with a population of at least 500,000 which have at least 1,500 reported cumulative cases of AIDS and areas of a State outside of qualifying metro areas which have at least 1,500 reported cases of AIDS qualify for formula awards. In response to a Congressional directive in the fiscal year 1999 Appropriations Act, the Department made recommendations for updating the statutory formula to use an estimate of persons living with AIDS and housing costs to distribute formula funds.

HUD is proposing to continue three administrative provisions on eligibility contained in the fiscal year 2003 Budget proposal to: (1) maintain eligibility for States that had received prior grants; (2) provide authority for the State of New Jersey to administer funds for the New Jersey portion of the Philadelphia metropolitan area; and (3) authorize Wake County to administer the allocation to the Raleigh-Durham, NC metropolitan area.

Based on HUD's review of CDC data, three new jurisdictions in 2003 will become eligible for formula-based allocations including the States of Kansas and Colorado and Sarasota, FL. In 2004, three additional jurisdictions will most likely be added including the State of Maryland (excluding Baltimore and DC), Syracuse, NY and Vallejo, CA. The following displays the number of jurisdictions that have qualified for a formula allocation in recent years and an estimate of the number that will qualify in fiscal year 2004:

<u>Year</u>	<u>Number of Qualifying Jurisdictions</u>
1999	97
2000	101
2001	105
2002	108
2003	111
2004	114

Ten percent of funds are awarded by national competition as provided in the Department's Notice of Funds Availability (NOFA) process. The 2002 Appropriations Act requires HUD to renew funding to expiring competitive grants that provide permanent supportive housing prior to making new awards. The renewal priority was first established in the fiscal year 2001 Appropriations Act and pertained to all expiring grants, not just those with permanent supportive housing efforts. HUD implemented the new requirement in the 2001 SuperNOFA competition. The competition resulted in 22 renewal grants for \$21.5 million in awards and the availability of about \$4 million that was used to select 3 new project grants. The 2002 SuperNOFA competition awarded 14 renewal grants for \$11.9 million, 2 technical assistant grants for \$1.95 million, and the selection of 14 new grants for an award of \$16.98 million.

Competitive grants are available to State and local governments and private nonprofit entities for projects in areas that do not qualify for a formula allocation. The NOFA establishes the renewal procedures and the selection criteria and procedures, consistent with National Affordable Housing Act (NAHA) and the HUD Reform Act.

c. Eligible Activities. Grants are available for activities designed to carry out strategies to prevent homelessness and include: housing information and coordination of housing and services; short-term and permanent supportive housing and services; rental assistance; the development and operation of single room occupancy dwellings and community residences and services; program development; administrative costs; and technical assistance in operating a community residence.

The President's 2003 Budget provided that \$2 million be allocated for training, oversight and technical assistance to support program performance by grantees and sponsors. In 2004, the budget propose to increase this to \$3 million to help in the sound management and to increase the capacity of HOPWA programs. Technical assistance is a vital tool in helping HOPWA programs, which operate through about 700 nonprofit projects. Technical assistance efforts ensure that recipients fully utilize funds to carry out activities within the public trust in addressing clients' needs in a comprehensive and cost effective manner. Since 1992, communities have developed greater and more effective capacities for providing AIDS housing assistance, as seen in the year-to-year increases in program outlays. Such a trend illustrates an overall increase in the effective use of program funds, due to the increased capacity of HOPWA program providers. Technical assistance will be provided to communities to fund national and local training conferences, assist nonprofit sponsor in sustaining on-going programs, assist in local development and financing of projects, support operational issues, service delivery models, program evaluation and the use of publications, handbooks, reports, guidance, and other communications.

HOPWA funding is integrated into the overall Federal response to the HIV/AIDS epidemic. HUD collaborates with the Department of Health and Human Services (HHS) and other Federal agencies on a range of projects to better integrate health care, housing, and supportive services to persons living with HIV/AIDS. HUD and HHS provide program staff who present annually at the U.S. Conference on AIDS, and at Ryan White (HHS) and HOPWA grantee meetings, as well as other HIV/AIDS conferences. HOPWA program staff members have participated in the joint HHS/VA/HUD taskforce meetings to address the issue of chronic homelessness. In addition, a cooperative data collection effort has been undertaken by HHS and HUD regarding the technical assistance needs of AIDS housing and service providers. With assistance from the Office of Policy, Development and Research, the Office of HIV/AIDS Housing is beginning a study with CDC to investigate the correlation between housing and health outcomes for people living with HIV/AIDS.

This interagency cooperation will emphasize the importance of local and State comprehensive planning to streamline and integrate services and to maximize local, State, and Federal resources. This is especially highlighted through the Department's Consolidated Planning Process which encourages States and local communities to develop comprehensive housing and supportive service strategies that help coordinate Federal programs as well as State, local, and private funding. In addition, HUD staff work closely with communities to assist them in bringing together community stakeholders to facilitate more holistic approaches to local issues. Through these collaborations and strategies, the Department strives to meet the goal of increasing the availability of affordable housing for the target population and integrating assistance from other sources for needed health care and supportive services for persons living with HIV/AIDS.

Current efforts to collect complete data about grantee performance have resulted in a more accurate representation of the number of households being served. Significantly more households are being assisted with housing needs by HOPWA funds than previously estimated. Comprehensive data for fiscal year 2001 shows that 63,344 households received housing assistance through both the formula and competitive HOPWA programs. In fiscal year 2002, 68,000 households received housing assistance. It is projected that in fiscal year 2003, 73,000 households will be assisted and that in fiscal year 2004, with the anticipated funding level of \$297 million, 74,250 households will receive assistance in the form of rental assistance, short-term rent,

mortgage and utility payments, and community residences providing short-term and permanent supportive housing.

HUD's Office of Policy Development and Research undertook a national evaluation of the HOPWA program, and the findings issued in January 2001 noted:

- The HOPWA program predominantly serves extremely low-income and very low-income persons living with HIV/AIDS, including many people with additional burdens; the report documents that 54 percent are persons with extremely low-income (less than 30 percent area median) and another 27 percent are very low-income 30-50 percent area median);
- The HOPWA program's flexibility helps meet clients' housing needs and preferences;
- The HOPWA program appears to enhance clients' housing stability;
- Clients report a high level of satisfaction with the housing they are receiving;
- Most grantees and housing assistance providers report some degree of coordination with Ryan White CARE Act and HUD's Continuum of Care systems;
- On average, each dollar used for HOPWA housing assistance is being combined with a dollar for housing assistance from other government and private sources;
- Collaboration is a key component to successful project implementation and in preventing duplication and assisting clients focus on health goals; and
- Special Projects of National Significance are providing effective models for replication.

Grantee performance reports indicate that clients who receive housing assistance through this program are often at the lowest income levels, with approximately 94 percent of beneficiaries in households that receive less than \$1,000 per month in family income.

It is estimated that 60 percent of HOPWA funds are expended directly on housing assistance for clients, such as rental assistance, short-term rent, mortgage assistance, and utility payments to prevent homelessness; assistance in short-term facilities; and community residences, SRO dwellings and other housing facilities. Facility-based assistance may include funds for construction, rehabilitation, acquisition, operating costs, and supportive services provided at the site. Funds may also be used for housing information, technical assistance in operating community residences, and resource identification activities to establish, coordinate, and develop housing resources.

While housing continues to be the primary focus of the program, grantees may use funds for supportive services (such as support with daily living activities, substance abuse treatment and counseling, child care, etc.) in response to the needs of persons living with HIV/AIDS, to ensure these clients remain in stable housing. Grantees report that 22 percent of HOPWA program funds are expended for supportive services in connection with housing activities. Supportive services are defined as including, but not limited to, health (if not reimbursable from other sources), mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care when required, and assistance in gaining access to local, State, and Federal Government benefits and services. HOPWA clients also utilize a range of health and supportive services funded by HHS through the Ryan White Care Act.

Grantee and project sponsor administrative costs, as reported by grantees, represent 8 percent of program funds. Administrative costs are defined by statute as up to 3 percent for grantee administration and up to 7 percent for project/sponsor administration.

STATUS OF FUNDS

The HOPWA program has performed well overall in expending funds in a timely manner, and grantees are expected to be able to make timely use of increased funding. The Office of HIV/AIDS Housing is addressing the Presidential Management Agenda by devising a system modeled on the CDBG program to better measure timeliness of performance and to specify when corrective activities are needed to ensure timely expenditures of formula grantee funds.

Authorization. Authorizing legislation is not required to continue the program.

Balances Available.

a. Unobligated Balances. The following table compares the program obligations with funds available by year.

	ACTUAL <u>2002</u>	ESTIMATE <u>2003</u>	ESTIMATE <u>2004</u>
	(Dollars in Thousands)		
Unobligated balance, start of year	\$88,263	\$91,104	...
Appropriation.....	<u>277,432</u>	<u>292,000</u>	<u>\$297,000</u>
Subtotal.....	365,695	383,104	297,000
Recoveries from prior years .....	<u>1,496</u>	...	...
Total Available.....	367,191	383,104	297,000
Obligations.....	<u>-276,087</u>	<u>-383,104</u>	<u>-297,000</u>
Unobligated balance, end of year.....	91,104	...	...

b. Obligated Balances. The status of obligated balances is as follows.

	ACTUAL <u>2002</u>	ESTIMATE <u>2003</u>	ESTIMATE <u>2004</u>
	(Dollars in Thousands)		
Obligated balance, start of year.....	\$438,549	\$398,847	\$489,951
Obligations incurred.....	<u>276,087</u>	<u>383,104</u>	<u>297,000</u>
Subtotal.....	714,636	781,951	786,951
Outlays.....	<u>-314,293</u>	<u>-292,000</u>	<u>-311,000</u>
Recoveries of prior year obligations .	<u>-1,496</u>	...	...
Obligated balance, end of year.....	398,847	489,951	475,951

DISTRIBUTION OF FUNDS BY STATE

The distribution of HOPWA funds for the 2002, 2003 and 2004 appropriations are shown below.  
The cumulative amounts are for local and State grantees located within these States.

<u>STATE OR TERRITORY</u>	<u>ESIMATE 2002</u>	<u>ESIMATE 2003</u>	<u>ESIMATE 2004</u>
Alabama . . . . .	1,545	1,634	1,657
Arizona . . . . .	1,796	1,917	1,944
Arkansas . . . . .	706	745	756
California . . . . .	31,852	31,384	31,816
Colorado . . . . .	1,374	1,792	1,817
Connecticut . . . . .	2,839	3,352	3,399
Delaware . . . . .	1,165	1,248	1,265
District of Columbia (Metro area) . . . . .	10,451	9,927	10,064
Florida . . . . .	34,878	31,897	32,337
Georgia . . . . .	5,585	9,373	9,502
Hawaii . . . . .	598	625	634
Illinois . . . . .	5,992	6,287	6,374
Indiana . . . . .	1,459	1,546	1,567
Kansas . . . . .	...	372	377
Kentucky . . . . .	795	863	875
Louisiana . . . . .	4,534	4,342	4,402
Maryland . . . . .	7,033	9,538	9,670
Massachusetts . . . . .	4,023	4,066	4,122
Michigan . . . . .	2,769	2,883	2,923
Minnesota . . . . .	924	954	967
Mississippi . . . . .	1,097	1,180	1,197
Missouri . . . . .	2,598	2,703	2,740
Nevada . . . . .	1,116	1,174	1,190
New Jersey . . . . .	14,503	13,331	13,515
New Mexico . . . . .	501	529	536
New York . . . . .	54,725	66,256	67,170
North Carolina . . . . .	2,599	2,844	2,883
Ohio . . . . .	2,851	2,989	3,030
Oklahoma . . . . .	982	982	996
Oregon . . . . .	950	1,002	1,016
Pennsylvania . . . . .	9,147	7,837	7,945
Rhode Island . . . . .	521	545	553
South Carolina . . . . .	2,958	2,788	2,827
Tennessee . . . . .	3,949	2,699	2,736
Texas . . . . .	13,165	14,776	14,980
Utah . . . . .	486	507	514
Virginia . . . . .	2,209	2,535	2,570
Washington . . . . .	2,249	2,352	2,385
Wisconsin . . . . .	868	913	925
Puerto Rico . . . . .	10,097	8,312	8,426
Subtotal formula grants . . . . .	247,889	261,000	264,600
Competitive Grants . . . . .	27,543	29,000	29,400
Technical assistance . . . . .	2,000	2,000	3,000
TOTAL HOPWA . . . . .	277,432	292,000	297,000

Housing Opportunities for Persons with AIDS

ADMINISTRATIVE EXPENSES

FTE/OBJECT CLASS	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
FTE			
Headquarters	14	18	18
Field	10	10	10
Total FTE	24	28	28
S&E Cost (Dollars in Thousands)			
Personal Services	\$2,167	\$2,568	\$2,588
Travel	52	24	25
Printing	17	13	14
Other Services	68	75	95
Supplies	2	1	1
Total S&E Cost	\$2,306	\$2,681	\$2,723